



NEWS RELEASE

GOVERNOR'S COMMUNICATIONS OFFICE

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CONTACT: LYDIA LENKER
615.741.3763 (OFFICE)
615.289.9375 (CELL)

BREDESEN UNVEILS VISION FOR HEALTH CARE, EDUCATION PROPOSES TO INSURE EVERY CHILD IN TENNESSEE

NASHVILLE - Governor Phil Bredesen, in his fourth State of the State Address, today unveiled his vision for exploring new frontiers in health care and education in Tennessee. In a forward looking speech, Bredesen declared that Tennessee has turned a corner by living within its means and can now move forward with priorities fundamental to the success of Tennessee and its families.

"We have gotten our financial house in order. We've done this together, in a bipartisan way. And we've done it the right way; we didn't tell the taxpayers to give us more money, we changed the way we operate our government - we learned to live within our means," Bredesen told members of the General Assembly.

In a 20-minute speech to state Senators and Representatives gathered in a joint convention, Bredesen focused on two areas he views as fundamental priorities for state government: health care and education.

In health care, Bredesen said that thanks to the state's success last year in bringing TennCare costs under control - which he said came with a great deal of pain - the State is now able to move on and begin constructing a "health care system for Tennessee that is fair to everyone, that is sustainable, and that offers help to all Tennesseans who need it and not just some."

As an example, Bredesen noted that despite having one of the most expansive Medicaid programs in the country, approximately 150,000 Tennessee children are without health insurance.

As a first step in this process, Bredesen announced his plans to submit legislation designed to insure every child in Tennessee. Noting that there is considerable federal money available to supplement any state investment, he asked members of the General Assembly to join him in this effort by approving the legislation quickly.

"While we worked hard and found ways to avoid cutting any children from TennCare this past year, we still have nearly 150,000 children in Tennessee who are uninsured. Because we have made the hard choices with TennCare, we now have the ability to see that every child in Tennessee who needs medical care can get it," Bredesen said.

In education, Bredesen - who, over the past three years, has committed more than half a billion dollars to education - noted Tennessee's lackluster graduation rates for high school and college, both of which lag the national average. In his speech, Bredesen set a goal of achieving, by 2012, a 90% high school graduation rate (currently 77.9%), and a 55 percent college graduation rate (currently 42%).

"If we don't fix that, the economy of America in the years ahead is going to pass us by. Nearly a quarter of our students don't make it through high school; we then don't have enough students who do graduate going on to college, and for every 100 who do start, only about 45 get a degree within six years," Bredesen said.

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Bredesen said state government's role in addressing this problem is essential, but that it can't do the job alone. Opening the doors of educational opportunity to every child, he said, means parents accepting the responsibility of teaching their children the values of education, hard work, and respect.

"Those parents don't have to be well off and they don't have to be educated, but they do have to teach their children the greatest gift they can give them - what it is to take responsibility for yourself," Bredesen said.

Bredesen concluded his remarks with a pledge to honor the bedrock American value of personal responsibility and to be a strong partner with Tennesseans to solve more problems.

"There are always lots of problems and there are always lots of people who look to government alone for the solution. Yet it is so clear to me at this point in my life that personal responsibility is absolutely fundamental; government can't solve every problem, but we can and should be a partner to help our citizens solve more problems themselves," Bredesen said.

In concert with his State of the State Address, Bredesen delivered to the General Assembly the fourth commonsense budget of his administration - a \$25.6 billion plan that balances all of the state's priorities and, once again, requires no new taxes.

In the budget plan, Bredesen continues his commitment to making education Tennessee's No. 1 priority with \$232.8 million - more than one-third of all proposed improvements - going toward education.

Those investments include:

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| • Full funding of the Basic Education Program | \$95.2 million |
| • Teacher salary increases | \$42.4 million |
| • Continued expansion of Pre-K (250 new classrooms)
(general & lottery funds) | \$45.0 million |
| • BEP increase for At-Risk/ELL populations | \$20.0 million |
| • Establishment of new Math and Science High School | \$1 million |

In addition, over the past three years, Bredesen has committed more than \$600 million in new money for important maintenance and capital construction on college and university campuses across the state. The 2006-2007 proposal includes money for the renovation of Ayers Hall at the University of Tennessee at Knoxville; a new science building at Middle Tennessee State University; and a new law school at the University of Memphis, among others.

Also in his budget proposal, Bredesen continues his commitment to competitive compensation for state employees (\$88.8 million, state dollars); a fiscally solvent state retirement system (\$63.6 million); and investments in modern computer systems for more efficient operation of state government (\$28.1 million).

Bredesen's budget proposal also includes targeted investments in health care (more than \$125 million new state dollars); jobs and infrastructure (\$14.8 million); additional money for the state's Health Care Safety Net (\$12.1 million); an annual Sales Tax Holiday (\$11.0 million); additional drug courts throughout the state (\$3.5 million); and the elimination of state park access fees (\$924,000).

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SPEECH

GOVERNOR'S COMMUNICATIONS OFFICE

FOR IMMEDIATE RELEASE
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CONTACT: LYDIA LENKER
615.741.3763 (OFFICE)
615.289.9375 (CELL)

STATE OF THE STATE ADDRESS

GOVERNOR PHILIP N. BREDESEN
FEBRUARY 7, 2006

Governor Wilder; Speaker Naifeh; Speaker ProTem DeBerry; Members of the 104th General Assembly; Justices; Constitutional Officers; friends and guests; and my fellow Tennesseans.

As we gather in this chamber this evening, our nation is remembering the life of a woman known to the world as the first lady of the civil rights movement. Would you please join me in a moment of silence honoring the life of Coretta Scott King.

I stand here tonight for my fourth time as Governor to report to you on the State of our State, and to fulfill my obligation to recommend to the General Assembly a budget prepared according to the requirements of our Constitution.

As I begin, I want to acknowledge the effort of the General Assembly in the Special Session just concluded. I commend you for the fine work you accomplished.

Tonight, for the fourth time, I will recommend a budget that is honestly balanced without gimmicks and that requires no new taxes.

The budget I am presenting totals \$25.6 billion, a decline of 2.6% from last year. The state's contribution has grown by 3.4%, but federal funds have declined by 7% due primarily to the impact of Medicare Part D, the termination of Katrina support funds, and a smaller federal transportation appropriation than originally expected.

In order to be able to present a balanced budget once again, we have had to endure some very difficult and painful actions with respect to TennCare. To all of you in this chamber and to all of you across our state who have responded to these difficult choices with common sense and a constructive attitude, I offer as Governor my heartfelt thanks.

As we convene this evening in these grand surroundings, we are all mindful that over ten thousand of our fellow Tennesseans have left their comfortable homes and families to serve our nation abroad. I have asked to join us in this chamber tonight three representatives of these troops:

- Brigadier General Jim Welch, who commands the 194th Engineer Brigade, and who returned from Iraq last November
- Colonel Dennis Adams, who commands the 278th Regimental Combat Team and who also returned from Iraq last November
- Lt. Colonel Patty Jones, who is the battalion commander of the 500 soldiers of the 168th Military Police Battalion, and who is the first female Battalion Commander in the Tennessee National Guard's History

Please thank these military personnel and all the others they represent tonight.

Since I spoke to you last year, 18 additional soldiers from Tennessee have lost their lives. And in the past year great sacrifices have been made here at home as well. I have invited tonight four Tennesseans who embody these sacrifices both abroad and at home.

- Muriel Tucker, from Overton County. Mrs. Tucker's husband, Sgt. Robert Wesley Tucker, was the last Tennessee guardsman to be killed in Iraq, a few weeks before he was to return home. Mrs. Tucker is 20 years old, and has a new baby.
- Alicia Larkins, the widow of Highway Patrolman Todd Larkins, who lost his life responding to an emergency in Dickson County last July.
- Jo Bruce, the widow of Campbell County High School assistant principal Ken Bruce, who was killed by a student last November.
- Lieutenant Rick Holt, from the Jackson police department, whose sister Kay Frances Rogers lost her life while on duty as a Murfreesboro police officer last October.

We are humbled by the sacrifices represented here, and I ask you to join me in showing our respect and gratitude.

Over the past few months, Tennesseans have also been called on to volunteer here at home in providing refuge and help to our fellow citizens who were displaced by Katrina. Once again, our churches, our non-profits, our schools, our citizens responded to these human needs with energy and compassion. I want to especially recognize the people of Memphis, who bore the brunt of the responsibility and carried it with honor. To every Tennessean who pitched in to help, I offer as Governor the thanks of millions of grateful citizens.

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I remember very well the first time I spoke with you. It was on a cold inauguration day three years ago and I spoke of a "third way" - our leaving behind the predictable and stale debate between liberals and conservatives and embracing a third way of common sense. A few weeks later there was a somber State of the State that laid out painful but necessary cuts. I want us to think for just a moment how far we have come since those days. We have accomplished a lot with plain old common sense.

First of all, we have gotten our financial house in order. We've done this together, in a bipartisan way. And we've done it the right way; we didn't tell the taxpayers to give us more money, we changed the way we operate our government - we learned to live within our means.

It's worked: Our rainy day fund is not empty as I once feared, but is at the highest level in our history and still growing. Maintaining strong reserves is an important principle of responsible fiscal management. Balancing a budget is not the end goal of government, but it is a discipline without which we are hobbled. In your family life, you may dream about doing wonderful things for your children, but if you don't have discipline, if your credit cards are maxed out and your bank account is overdrawn, you are unlikely to realize those dreams.

Second, as a part of getting our house in order, we've tackled TennCare. My original plan was to keep everyone enrolled and cut back some benefits, but I was prevented from doing that. The enrollment cuts that we were forced to make created a great deal of pain and uncertainty that was avoidable had there been more constructive help, but we tackled it and brought it under control. The dream of TennCare was turning into a nightmare, and two years ago we set the goal of managing its costs to 26% of our state revenues rather than letting it each year eat further into education and public safety and other important priorities. We accomplished that 26% goal this year, and we accomplish it again in the budget for next year. We are back on solid ground with TennCare and are now ready to set out again on a safer path. I will be speaking to you in the near future to lay out that path.

By living within our means, we've turned the corner, and we are now able to move forward again.

We're now able to move forward in education. The Imagination Library is up and running in 90 counties, a comprehensive pre-K program is underway, our teacher salaries are now above the southeastern average, and with this year's budget proposals, we will have invested more than \$600 million in new higher education facilities. Our program to bring mid-career professionals from outside the teaching profession into the high school classroom to teach math and science has been spectacularly successful. This year's budget proposes substantial new funds for at risk students, for English language-learners, and it sets up a residential math and science high school for our best and brightest. There is a great deal more to do, and we are on the right track.

We're now able to move forward and deal quickly with some threats. The methamphetamine epidemic has posed an enormous threat to our rural communities and to the children who live there, and the fight to control this epidemic has seen some real success — the number of meth labs in our state has been cut in half in just this past year. Fewer meth labs means fewer fires and explosions, fewer patients in our hospitals' burn wards, and ultimately fewer children separated from their parents.

And we're now able to move forward in other areas as well. We have dramatically increased our investment in creating good jobs and are starting to see some real successes there — since 2003 we've seen more than 85,000 new jobs and more than \$10 billion in new business investment. We are investing heavily in more modern computer systems for the State of Tennessee to better operate our government. We're listening to our state employees by making a major investment in solving the salary compression issue. We are protecting land for future generations, to hunt, to fish, to hike and to just enjoy the beauty of God's creation here in Tennessee. And this year we are fulfilling a small thing I have very much wanted to do: we are reopening the gates of our state parks to all free of charge.

After three years of working on some very difficult issues to get our house in order, it feels very good to me to move forward, and start some of those things that are the reasons I sought this office in the first place.

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This is my fourth time to speak to you in this role, and in the past I have spent a lot of time describing my budget. While I hope and plan to be here four more times — the people of our state and the good Lord willing — this is my final State of the State of my first term as Governor. This is a milestone for me, and like other milestones — for example, those birthdays that end with a zero — it's a time to raise our eyes and look around and reflect on what is really important.

I believe that the way to success in any endeavor — in marriage, in running a business, in being a governor — is to find those two or three big things, that if you get them right, everything works. I want to talk with you at this milestone in my life about three things that I believe we have to get right in Tennessee, two of them public issues and one a matter of values.

The first is education. Education for me is our fundamental priority, and I have already proposed a number of things to support it. It is a big and complex subject, it is easy to get distracted, but I want us to stay focused on the most important things.

First, teachers. Boards of Education and administrators and testing are all great, I guess, but educating our kids will succeed or fail by the teachers we put in the classroom.

We need to keep our eye on the ball here: If we train and recruit and keep and support great teachers, our kids will do fine; if we fail to do this, we can test kids every day and stack computers one on top of another, and we'll still come up short.

We need to work with our schools of education to send us teachers with the training they need in a new century. We need to support our teachers with competitive pay, with the materials they need to teach, with safe classrooms. We need to continue to invest in our teachers; in world class professional development and not what passes today for in-service training. And when we do these things, we in turn need to be demanding of them to produce results.

One important result we need to watch is improving graduation rates. We lag the national averages here, and if we don't fix that, the economy of America in the years ahead is going to pass us by. Nearly

a quarter of our students don't make it through high school; we then don't have enough students who do graduate going on to college, and for every 100 who do start college, only about 45 get a degree within six years.

Let me dwell for a moment on this issue of college graduation, because it is a very personal issue for me: I'm someone who graduated from a small public school in a small town, and went to a big and demanding university, and found the culture shock and the difference in preparation compared to other students to be very difficult. I feel great empathy for kids who start out to go to college with good intentions and fall by the wayside. If you own a store and you're having trouble, the first question you might ask is this: why do some people walk into your store and walk out without buying anything? There are a lot of young people who want to go to college, who start, who find it difficult for various understandable reasons. I want us to give them a helping hand—it'll make a huge difference in their lives and for our state. I've asked the Board of Regents to come up with some big, transformational ideas about how we can dramatically increase our college graduation rates.

We need to improve our graduation rates at all levels, so let's set some goals here. Here's my goal: I want Tennessee in the next six years, by 2012, to achieve a 90% high school graduation rate, and a 55% college graduation rate. These are ambitious goals, but let's agree tonight to work together to make it happen. Our children deserve nothing less.

One big area we have to get right is education. Another is health care.

I've been involved with the business of health care for a long time, over a quarter of a century. But during the past three years I've faced this issue from a much more personal perspective. I've had to confront what health problems do to people's lives, with how scared and vulnerable it can make them. I've had to confront these human dimensions in as big a job as Governor, and in as small a job as being a brother. Some of the decisions I've had to take responsibility for have been extraordinarily difficult and emotional for me, as I know they have been for you. I've always believed that you play the hand you're dealt and that is what I have tried to do to the best of my ability.

It's now time now to move on. It's now time to begin constructing a health care system for Tennessee that is fair to everyone, that is sustainable, and that offers help to all Tennesseans who need it and not just some. This is a defining issue for our state, and I'll speak with you soon about where we go next.

One issue is so important however that it deserves to be brought up right now. While we worked hard and found ways to avoid cutting any children from TennCare this past year, we still have nearly 150,000 children in Tennessee who are uninsured. Because we have made the hard choices with TennCare we now have the ability to see that every child in Tennessee who needs medical care can get it.

What can say more about Tennessee values than having the courage to say, 'Sorry, no,' to adults with six-figure incomes or a hundred free prescriptions so we can say 'yes' to a 6-year old who needs to see a doctor.

As our first step, I want you to join with me tonight to insure these remaining children now.

This is not a job for the TennCare program, which still remains seriously constrained by consent decrees. We will likely propose that it be administered through the state's employee health insurance system. There is considerable federal money available to help, and we'll of course take advantage of that. You can expect legislation shortly, and I ask you tonight to approve it quickly.

I've spoken about education and health care, and I said that I also wanted to speak to a third area, a matter of values.

So much of my experience as Governor tells me that we need to join our work on specific issues with a rededication to the value of personal responsibility. Personal responsibility has always seemed to me a bedrock American value; the pioneer and small town and religious value of accepting responsibility for yourself and your family.

I've spoken to you about education. Government has to step up, but it can't do the job alone. Parents have to accept the responsibility to teach their children the value of education and the value of hard

work and the value of respect. Those parents don't have to be well off and they don't have to be educated, but they do have to teach their children the greatest gift they can give them— what it is to take responsibility for yourself.

I've spoken to you about health care. We can help with insurance, and we are doing so and will continue to expand this help. But when we are number three in the country in obesity, as we are, and when we have the diabetes and heart disease statistics to go with being number three in obesity, there's something needed beyond insurance. That something is personal responsibility—there's no pill to make someone push their plate back or take a walk. We have had for a decade the most comprehensive health care program in the nation, and whatever the merits of TennCare—and there have been many—it has not succeeded in moving those public health indicators one notch. An insurance policy hasn't worked, but a policy of responsibility can.

When I speak to you about health care in a few weeks, I am going to propose that we commit ourselves in a major way to combating obesity and the accompanying explosion of diabetes in our state. With diabetes, like so many chronic diseases, a patient's lifestyle is in large part his treatment. Our state can't solve this patient's problems by taking responsibility for him; we can only help him take responsibility for himself.

There are always lots of problems, and there are always lots of people who look to government alone for the solution. Yet it is so clear to me at this point in my life that personal responsibility is absolutely fundamental; government can't solve every problem but government can and should be a partner to help our citizens solve more problems themselves.

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This fourth State of the State address is a milestone for me, and milestones are a time to stop and look around and reflect on where we are. The overwhelming emotion as I do so is a sense that in Tennessee, in America, in 2006, anything is possible, that there are many paths waiting to be taken and many shores waiting to be discovered. For Andrea and me, Tennessee has been the place where dreams come true. That is what we want for everyone.

Thank you for your courtesy here tonight. May God bless Tennessee and her people, and may God continue to bless and protect the land where dreams come true that we call America.

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